Northwest Territories Aboriginal Affairs and Intergovernmental Relations

Department of Aboriginal Affairs and Intergovernmental Relations

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Northwest Territories Budget Shows Fiscal House is in Order - 2/10/2005

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The new Fiscal Responsibility Policy was unveiled by Finance Minister Floyd Roland today when he presented the Government of the Northwest Territories' (GNWT) 2005-06 Budget to the 15th Legislative Assembly.

The Fiscal Responsibility Policy was presented as a cornerstone of the Budget and the government's fiscal strategy. The policy sets out the guidelines for how much the government may borrow, what it should borrow for, and how it will be held accountable for its borrowing decisions. Under the policy, the government will have to exercise fiscal discipline in order to generate cash operating surpluses to fund at least 50 per cent of annual capital infrastructure investment.

As part of the fiscal strategy, Moody's Investors Service, a respected international rating agency, was asked to undertake an independent credit rating for the government. On February 9, 2005, Moody's released an Aa3 credit rating for the GNWT. "This excellent rating is a testament to the sound fiscal management of this government," Minister Roland stated.

Today's Budget Address reveals the GNWT's fiscal position has improved significantly since last year. Expenditure restraint measures and increased transfers from the federal government have turned a projected $46 million operating deficit for the current fiscal year into an expected $44 million operating surplus.

"The good news in our fiscal situation means we have more flexibility to respond to the serious and pressing challenges we face in government programs, services and investments," said Minister Roland. "However, to ensure our fiscal situation remains sustainable, we have to exercise discipline in our expenditures."
To maintain this positive fiscal situation, the GNWT has kept operational spending growth in its 2005-06 Budget to under one per cent. An operating surplus of $49 million is projected for 2005-06. The surplus permits the GNWT to budget $116 million in infrastructure investments in 2005-06 to help meet the large and growing need for public infrastructure in the Northwest Territories.

The Budget Address can be found on the GNWT website at http://www.gov.nt.ca/thisweek/news/index.html, the Main Estimates can be found at www.gov.nt.ca then refer to the Financial Management Board Secretariat under the Departments link.

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